GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

STARRED QUESTION NO:164
ANSWERED ON:31.07.2003
MAFIA AND PIRACY IN FILM INDUSTRY
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Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether the Government`s initiatives to encourage film makers to take finance from other sources had not been able to break the nexus between the underworld and industry;

(b) whether mafia are controlling the affairs of film industry;

(c) if so, whether the Government have organised any meeting of State Information and Broadcasting Ministers to discuss the situation;

(d) if so, the details thereof; and

(e) the action taken/ proposed to be taken to ensure that film industry does not suffer loss on account of video piracy and mafia interference?

Answer

MINISTER OF STATE OF THE MINISTRY OF INFORMATION & BROADCASTING (SHRI RAVI SHANKAR PRASAD)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OTHE LOK SABHA STARRED QUESTION NO.164 REGARDI MAFIA AND PIRACY IN THE FILM INDUSTRY FOR ANSWER ON 31.7.2003.

(a) to (e): Some cases of involvement of money from underworld sources have been reported, and have been dealt by the enforcement agencies under the applicable laws. On the other hand, efforts have been to facilitate access of the film industry to clean capital. Some major steps taken in this regard are:

? `Entertainment Industry including films` has been specified as anapproved activity for accessing finance under the Industrial Development Bank of India Act.

? The Reserve Bank of India has also evolved guidelines to enable banks to finance film production.

? In March 2002, the Foreign Direct Investment policy relevant to the filmsector has been liberalized with 100% foreign direct investment being permitted in this sector without any conditions, on the automatic route.

? Small budget films, with an emphasis on those made by new directors, are provided film finance by National Film Development Corporation and Children`s Film Society of India.

? Guidelines to facilitate shooting of co-productions in India have beenliberalized recently and are expected, intera alia, to encourage India co- producers to access clean capital.

As far as piracy is concerned, the Copyright Act 1957, vests theresponsibility for dealing with offences regarding piracy with the police authorities of the State Governments and Union Territory Administrations. However, `Police` is a State subject under the Constitution of India and, assuch, registration, investigation, detection and prevention of crimes is the responsibility of the State Government. The Ministry of Information and Broadcasting has taken several initiatives to discourage piracy of films.

? On the basis of recommendation made by the Committee for Developmentof the Entertainment Sector, which has been formed in the 24th State Information Ministers` Conference, the Indian Institute of MassCommunication has been entrusted with the task of preparing training modules for police officers to train them for anti-piracy work.

? To create an anti-piracy mind-set and to promote cooperation among stakeholders, this Ministry had brought film producers, multi-service operators and cable operators together, and they had jointly resolved that films would not be exhibited without valid permission from the copyright holders.

? In an effort to check cable piracy, the Cable Television Networks Regulation Act has been amended in 2000, enabling the

Government to prohibit a Cable operator from transmitting or retransmitting any programme or channel for which he has not been granted a license by the copyright holder.

? A recommendation made by the Committee for Development of the Entertainment Sector, that a realistic ceiling level for entertainment tax to be imposed by the State Governments could be 60%, since high rate of entertainment tax encourages piracy, has been persuasively communicated to all State Governments and a number of State Governments have responded positively.